

## **RESPONSE**

This is a response to the Office Action dated June 8, 2005. The Examiner has rejected claims 1-2, 5, 8, 11, 23-24, 36-39, 41-42 and 48 under 35 U.S.C. § 103(a) as being unpatentable over: U.S. Pub 2002/0016769 ("Barbara") in view of "Some hung up about paying bills via a computer," Star Tribune, Minneapolis, Minnesota - May 23, 1993, p. D02. ("Youngblood"). Claims 3, 25 and 40 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Barbara and Youngblood in view of U.S. Pub 20040111370 ("Saylor"). Claims 6-7 and 28-29 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Barbara in view of U.S. Pat. No. 5,903,878 ("Talati").

The rejections from the Office Action of June 8, 2005 are discussed below. No new matter has been added. Reconsideration of the application is respectfully requested in light of the above amendments and the following remarks.

### **I. REJECTIONS UNDER 35 U.S.C. § 103(a)**

Claims 1-2, 5, 8, 11, 23-24, 36-39, 41-42 and 48 under 35 U.S.C. § 103(a) as being unpatentable over Barbara in view of Youngblood. Applicants submit that claims 1-2, 5, 8, 11, 23-24, 36-39, 41-42 and 48 are patentable over Barbara in view of Youngblood because the combination of Barbara and Youngblood fails to disclose all the limitations of the claims and further that one of ordinary skill in the art would not be motivated to combine these references.

Barbara discloses "a method and system for making on-line payments." Barbara, Abstract. "A user enrolls for the on-line payments service, designates a source account for the on-line payments, and is provided a transaction account as a money deposit account [to] use as a source and a destination of funds." *Id.*

As Examiner Borlinghaus has noted, Barbara fails to disclose receiving a response from the recipient accepting or rejecting the transfer of funds wherein the response includes a request by the recipient to open an account as in claims 1 and 23. Likewise, in claim 36, funds are transferred after "the second user has approved a transfer request." Youngblood also fails to disclose this limitation. Youngblood instead discloses a service ("BILL&PAY") for paying bills and making payments online. In particular, Youngblood discloses a service, which is optional to participate in. Specifically, in Youngblood, the companies who receive checks may not sign up for the BILL&PAY service to offer customers electronic billing and payments. This is not the

“accepting or rejecting of funds” because the companies still receive a check – “paper checks are written and mailed to the designated merchants.” The companies that “do not join the system” are electing to receive paper checks rather than electronic checks. They are not rejecting funds, because the BILL&PAY system still goes through the procedure of sending written checks. The basis of BILL&PAY was the idea that eventually more of the 800 merchants would sign up to receive electronic payments rather than receiving the paper checks that are sent to all but two of the 800 merchants. Those merchants that do not receive electronic funds do not send a response “accepting or rejecting of funds” as in claims 1, 23 and 36 because the funds are always accepted. However, the acceptance of the funds may be as a paper check.

While it is true that the merchants can opt-out of the electronic funds transfer of the BILL&PAY service, they don’t respond to each transaction, but rather decide initially whether to receive paper or electronic checks. Those merchants who choose not to receive electronic funds do not accept or reject funds for each transaction, rather they choose to receive funds by paper checks rather than electronically. Claims 1, 23 and 36 disclose the transferring of funds including the step of “receiving a response from the recipient accepting or rejecting the transfer of funds.” BILL&PAY merchants do not responds to each transfer because all funds are accepted, they just may be transferred in different ways.

Likewise, there is no motivation to combine Barbara with Youngblood. The BILL&PAY service in Youngblood requires paper checks, whereas Barbara is a purely electronic or on-line system of making payments. It would defeat the purpose of making on-line payments in Barbara to combine it with the service in Youngblood where paper checks are used for the majority of recipients of payments. Youngblood fails to be a purely on-line payment system like Barbara, and for that reason, one of ordinary skill in the art would not combine Barbara with Youngblood.

For the reasons described above, Applicant submits that independent claims 1, 23 and 36 are allowable. Claims 2, 5, 8, 11, 24, 37-39, 41-42 and 48 depend from allowable claims 1, 23 and 36 and are allowable for the reasons that the independent claims from which they depend are allowable.

Dependent claims 3, 25 and 40 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Barbara and Youngblood in view of Saylor. Dependent claims 3, 25 and 40 are all allowable for the reasons that the independent claims from which they depend is allowable. Saylor further fails to disclose all the features of the independent claims from which

claims 3, 25 and 40 depend. Specifically, Saylor fails to disclose a recipient response accepting or rejecting a transfer of funds.

Claims 6-7 and 28-29 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Barbara in view of Talati. Applicants submit that claims 6-7 and 28-29 are patentable over Barbara in view of Talati because the combination of Barbara and Talati fails to disclose all the limitations of the claims and further that one of ordinary skill in the art would not be motivated to combine these references. Talati discloses a “method for providing validated electronic commerce transactions.” Talati, Abstract.

As discussed above, Barbara fails to disclose receiving a response from the recipient accepting or rejecting the transfer of funds as in claims 6 and 28. Talati discloses a method for validating electronic commerce transactions. The validity of the transaction is not determined by the recipient of the funds, but rather based on the payor of the funds or a third party who validates the transaction. Talati, Figures 2, 4, 6, 8 and 10. Conversely, claims 6 and 28 disclose a response from the recipient accepting or rejecting the transfer funds. Because, neither Barbara or Talati disclose this feature, Applicants submit that claims 6 and 28 are allowable. Likewise, claims 7 and 29 dependent from claims 6 and 28 are also allowable for the same reason.

**CONCLUSION**

Each of the rejections in the Office Action dated June 8, 2005 has been addressed and no new matter has been added. Applicants submit that all of the pending claims are in condition for allowance and notice to this effect is respectfully requested. The Examiner is invited to call the undersigned if it would expedite the prosecution of this application.

Respectfully submitted,

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Date

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